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PRESS RELEASE

USAID SUPPORTS AGRICULTURAL LAND MARKET DEVELOPMENT

The Government of Kyrgyzstan (GOK) and the United States Agency for International Development (USAID) presented the results of their collaboration and unveiled the conclusions of a study on agricultural land market development at a National Conference on September 22-23.

SEPTEMBER 22-23, 2008 – The Government of the Kyrgyz Republic (GOK) and USAID's Land Reform and Market Development Project (LRMDP) held a National Conference in Bishkek on "Agricultural Land Market Development: Challenges and Perspectives."

Conference participants included deputies of the Jogorku Kenesh, representatives of Gosregister field offices, representatives of the Ministry of Agriculture, representatives of the water and processing Industry, heads of *aiyl okmotus*, deputy governors of all oblasts, constituents of the GOK apparatus, representatives of local NGOs, and international project staff.

First Vice Prime Minister of the Kyrgyz Republic I.R. Aidaraliev and Ambassador of the United States to the Kyrgyz Republic Tatiana Gfoeller addressed the conference.

A stable and developed agricultural land market serves as the foundation of the country's food security, and this year it is one of the GOK's top priorities. During the two days of the conference, participants and organizers discussed key issues in Kyrgyzstan's agrarian sector and its ability to provide food security.

On the first day of the conference, Gosregister specialists, heads of *aiyl okmotus* and LRMDP representatives presented results of their joint activities in implementing the Model Regulation on "Terms and Procedures of LRF Land Lease" in 130 *aiyl okmotus*. Participants reviewed the strategic plans developed as a means for ensuring efficient Land Redistribution Fund (LRF) land use, and the use of auctions and tenders as transparent mechanisms for the LRF land lease. The first day culminated in the presentation of a future GOK strategy on LRF land.

As a decade has passed since private land ownership was first adopted in Kyrgyzstan, the LRMDP has conducted a study of the results of the agricultural land market development over the past 10 years. The second day of the conference introduced participants to the results of the study through an analysis of the impact of reforms on agricultural production and economic growth in rural communities. The study was conducted among heads of *aiyl okmotus*, heads of agricultural legal entities, small farmers, and land lessors; and touched upon such questions as land transactions, land enlargement (consolidation), investments and land tax, and the transformation of land from one category to another. As a result of the study, LRMDP has made recommendations to the GOK to address the current impediments to effective land market development. These recommendations include lifting legal restrictions on ownership of agricultural land by legal entities and urban dwellers of the Kyrgyz Republic, developing a mortgage system, and creating a program to attract investments to agricultural land.

The main focus of the USAID Land Reform and Market Development Project is to improve land legislation and its implementation as the foundation for land market development.

This project is one of many projects implemented by the US Agency for International Development in Central Asia on behalf of the American people.

Since 1992 the American people, through USAID, have supported technical assistance programs directed to support economic growth, democratic institutions, healthcare systems, and education in the Kyrgyz Republic in the amount of more than \$400 million.